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TAGS: [AORC](#) [ENRG](#) [KNNP](#) [TRGY](#) [UK](#) [IAEA](#)

SUBJECT: RANF: GUIDANCE FOR U.S. DELEGATION TO UK
MULTILATERAL FUEL ASSURANCES CONFERENCE MARCH 17-18, 2009
IN LONDON

REF: A. 09 UNVIE 40

[B](#). 09 LONDON 540

[C](#). 08 BERLIN 558

[D](#). 09 STATE 15931

[E](#). 09 UNVIE 95

[1](#). (U) For London: This is an action request. See para 7 below.

[2](#). (U) This document provides guidance (paras 5-6) for the U.S. delegation, to be led by UNVIE Ambassador Schulte, to the UK Conference on "Multilateral Approaches to the Nuclear Fuel Cycle," which will be held March 17-18 in London (ref A). In addition, it responds to an Action Request (ref B) for USG comments on the possible "emerging themes" prepared by the UK for this event (para 7).

BACKGROUND

[3](#). (SBU) At an informal briefing held in Vienna on March 5, the UK announced that this conference would aim at building trust among concerned states and addressing the feasibility of mechanisms designed to assure reliable access to nuclear fuel (RANF). The conference is being designed to be "cross-spectrum, inclusive, and interactive" and will include participants from a diverse cross section of states with a range of nuclear power and fuel cycle experience. The British have promoted the conference as a follow-on to a 2008 Berlin conference on the issue (ref C) and have billed it as a valuable step en route to a successful NPT PrepCom and RevCon. Originally, the UK had proposed a "Statement of Principles" as a deliverable for this conference, though due to resistance from the United States and others (ref D), this proposal was dropped.

[4](#). (SBU) The Conference will come on the heels of a successful March Board of Governors meeting that witnessed clear forward progress on the RANF initiative (ref E). Renewed leadership by the Director General, announcements of financial pledges for an IAEA fuel bank, and calls for more dialogue from potential beneficiary states were solid advancements toward future IAEA Board of Governors action to the issue. The Board debate was marked by new highs of support -- including announcements of donations sufficient to push funding for the IAEA fuel bank over the target of \$150 million -- and new lows of criticism -- the G-77 strongly rejected attempts to even discourage fuel cycle activities on the grounds of proliferation concerns. There should be adequate support for the Board to consider the issue in June and for the Secretariat to do work on related issues in the interim.

OBJECTIVES

¶5. (SBU) The U.S. delegation should try and capitalize on the momentum generated during the recent March Board of Governors meeting. In particular, the U.S. delegation should aim to:

- Encourage additional states to call for detailed discussion of RANF at the June Board of Governors meeting,
- Encourage forward-leaning states to make public statements in support of RANF, and
- Encourage skeptical states to play a constructive role in the development of RANF, in particular during future Board of Governors discussion.

DELEGATION GUIDANCE

¶6. (U) The U.S. delegation should participate in all aspects of the conference, including the working groups, in their capacity as subject matter experts. In addition to the guidance on specific themes in para 7, the U.S. delegation should draw from the following talking points in comments reflecting U.S. policy:

BEGIN TALKING POINTS:

- To ensure that any expansion of nuclear power proceeds without accident or incident, all states considering new nuclear power plants should strive for the highest standards of safety, security, and nonproliferation.
- Around the world today, more than 400 nuclear power reactors are supplied through sound, long-term contracts with a diverse set of fuel vendors. Still, the possibility remains for unforeseen interruptions.
- Therefore, we believe that as responsible suppliers and recipients of nuclear power it would be wise to bolster the international fuel market against unexpected disruptions.
- President Obama has stated that the United States will work with other interested governments to establish a new international nuclear energy architecture to help ensure that growing interest in nuclear power does not contribute to proliferation risk.
- As the President noted, potential mechanisms to assure reliable access to nuclear fuel include an international nuclear fuel bank and international nuclear fuel cycle centers.
- A number of proposals for mechanisms like these are now under consideration, and two in particular are rapidly taking shape.
- With support from Member States and the Nuclear Threat Initiative, a total of \$150 million is now available for an IAEA-administered fuel bank, provided the Board of Governors approves an institutional framework for its operation by this year's General Conference.
- Therefore, the United States looks forward to Director General ElBaradei's development of a concrete proposal to operationalize the concept for our consideration at the next Board meeting in June.
- Likewise, we look forward to further in-depth consultations among all Member States and the IAEA Secretariat on details on the operation of and future steps for the Russian proposal for a fuel reserve at Angarsk.
- Both of these mechanisms are intended to encourage states to obtain nuclear fuel from the international market as an economically attractive alternative to undertaking indigenous enrichment and reprocessing activities.

-- Along with many others, we hope to see a tangible product emerge before the current era of IAEA leadership draws to a close.

-- We stand ready for a frank and open discussion on the details underlying multilateral fuel assurances at the next Board of Governors meeting in June.

END TALKING POINTS.

COMMENTS ON THEMES

17. (SBU) The UK has identified the following "emerging themes" as a basis for discussion during the conference. UK officials have requested comment on these themes from governments participating in the conference (ref A). The UK plans to collate and disseminate all comments, though it will not attribute any comments to a particular country. Each of the "emerging themes" is reproduced below, followed by USG commentary on each. London is requested to pass these comments in writing to HMG at an appropriate level. Delegation may also draw upon these comments as appropriate during the Conference.

BEGIN USG COMMENTARY ON EMERGING THEMES:

- Theme 1: Significant increase in interest in civil nuclear power programs

At the March 2009 Board of Governors meeting, IAEA Director General ElBaradei reported that "some 50 countries (are) turning to the Agency for help as they explore the possible introduction of nuclear power programs." He added that the number of nuclear-power-related IAEA Technical Cooperation projects has "accelerated this year from 29 to 41." To ensure that any expansion of nuclear power proceeds without accident or incident, all states should strive to develop nuclear power in accordance with the highest standards of safety, security, and nonproliferation.

- Theme 2: Rights and responsibilities under the Non-Proliferation Treaty (NPT), including the Nuclear Weapons States

At the March 2009 Board of Governors meeting, IAEA Director General ElBaradei stated that fuel supply assurance proposals "are not impacting inherent rights under the NPT" and "no proposals that will be adopted on my watch will infringe rights." Moreover, Article IV of the NPT states that nothing in the Treaty "shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Article I and II." Articles I and II are the basic nonproliferation obligations on all parties to the NPT, and Article III of the NPT requires non-nuclear weapon state parties to conclude safeguards agreements with the IAEA. Article IV also commits parties to facilitate and have the right to participate in "the fullest possible exchange" of nuclear equipment, material, and technology for peaceful purposes. The rights and responsibilities of parties to the NPT fall on both nuclear weapon and non-nuclear weapon states and ensuring that nuclear power is developed for peaceful purposes is critical.

- Theme 3: Nuclear energy has much potential to provide great benefits to mankind; such benefits should be available to all States who meet their non-proliferation obligations

The purpose of multilateral fuel assurances is to expand, not restrict, access to the peaceful use of nuclear power. The IAEA has suggested a minimal set of criteria for access to an IAEA-administered mechanism, and a determination of eligibility would be made by the Director General based upon criteria set by the Board of Governors. States supplying fuel to the IAEA would be expected to apply their relevant

national laws and policies, including export controls.

- Theme 4: Proliferation risks involving certain parts of the nuclear fuel cycle

In addition to their peaceful applications, uranium enrichment and spent fuel reprocessing technologies can be used to produce nuclear-weapons-usable material. The spread of these technologies would increase the potential for new states to develop nuclear weapons. A voluntary mechanism for reliable access to nuclear fuel would provide a viable alternative to the spread of expensive and proliferation-sensitive enrichment and reprocessing technologies.

- Theme 5: Commercial fuel market, operating successfully for many decades, but further enhancements in security of nuclear fuel services are desired by many

The nuclear power sector benefits from a reliable, dynamic, and well functioning market. Around the world today, more than 400 reactors are supplied through sound, long-term contracts with a diverse set of vendors. Still, the possibility remains for unforeseen interruptions, which could encourage states to seek indigenous enrichment and reprocessing technologies. By bolstering the market, RANF mechanisms would increase confidence in the market and weaken incentives for domestic enrichment and reprocessing.

- Theme 6: Encourage states to explore the use of multilateral (multinational) nuclear fuel assurances as a means of enhancing the security of their access to nuclear fuel services

To benefit from the fuel assurance mechanisms under consideration, no state will be required to give up its right to develop nuclear energy for peaceful purposes consistent with its international obligations. This is not about "rights." These mechanisms are intended to alleviate concerns about access to nuclear fuel from the international market. They provide an incentive for states to voluntarily choose the international market for nuclear fuel rather than develop costly and unnecessary indigenous enrichment and reprocessing capacity.

- Theme 7: Proposals offer States different options based on individual needs and concerns to give confidence in nuclear fuel supply

A number of fuel assurance proposals are under development. These proposals are not mutually exclusive, and in the end a diverse and complementary set of mechanisms is expected. Diversity of supply offers the greatest assurance.

- Theme 8: IAEA has an essential role to play in facilitating the development and use of nuclear energy

Support from the IAEA will be critical to the realization of multilateral fuel assurances. Two specific proposals are rapidly taking shape) a fuel reserve at Angarsk and an IAEA-administered fuel bank funded by the Nuclear Threat Initiative and IAEA Member States. Detailed, frank, and open discussion of these proposals at the June 2009 Board of Governors meeting will be instrumental in moving the issue forward.

END USG COMMENTARY ON EMERGING THEMES.

18. (U) Department thanks both Posts for their assistance with this matter. Department points of contact for working-level RANF issues are Burrus Carnahan and Marc Humphrey (ISN/NESS).
CLINTON